

2008 Chamber of Commerce Speech

State of the City Address

I want to thank the Chamber and Jack Conner for this opportunity to share with you my thoughts, ideas and vision for the future of our City. I must admit, I cannot believe a year has come and gone since I was elected Mayor. It seems like only yesterday I took my seat as the mayor of Georgetown. What an incredible year it has been!! It has been filled with challenges, opportunities, new relationships, old friends, and yes, some heartburn along the way. Everyday is different and everyday brings about a new experience.

Preparing for this speech I thought what am I going to talk about. What has gone on in this last year? Looking back, so much has happened in this short time, I don't have enough time to go over it all.

In the past, these speeches were usually about how many miles of road we have, the number of city employees, and similar type of facts. Last year I told you I had no idea how many miles of road the City has, but this year I came prepared. So, just in case you are wondering we have 170 miles of road in the City.

I can also tell you that this last year has been one of the hardest, yet best experiences of my life. I have learned a lot. I've learned to print my speeches very large, I've learned to let things roll off my back; that at this level of government, it's all grass roots; things do get very personal; and perhaps most important, "You never can make everyone happy. "

But that isn't what you really came to hear. So let me take a few minutes to discuss the current state of the city, and my vision for a brighter, better Georgetown.

I stepped into the role of Mayor of the City of Georgetown at a very difficult yet exciting time. It has been many years since Georgetown has seen the challenges and the opportunities that we are facing today.

During such times a leader must have the confidence to stand alone, and the courage to make the tough decisions. I have made those decisions, not because they were easy and not because they were popular, but because I believed they had to be made.

The day I took the office the city was facing serious financial difficulties. I inherited a budget that was three million dollars short of revenues, so my very first step was to address the budget shortfall.

In the first six months of last year we began trying to get spending under control. Realizing that several different things contributed to this financial trouble, from over spending to mismanaging the revenues, we began to address those issues.

By the end of the first six months the deficit went from \$3 million to approximately \$2.5 million.

As we began to consider the 2007-2008 budget, again we were faced with some very painful realities causing us to make decisions as to how best use the resources available, how to streamline our services, how to cut costs wherever possible, all the while still deliver quality services to the citizens of this city.

Last year we put the insurance out to bid for the first time in at least 15 years. I strongly believe that competition in the market place is a good thing, not only for the public, but for the private sector as well. By taking these actions we leveled the playing field, allowing everyone an opportunity to sit at the table. This has resulted in a savings to the city of over \$200,000.

This year we are taking the next step and trying to bundle our insurance needs together for even greater savings. Because of these savings we are looking to combine the insurance needs of other departments, such as the water company. This will help to save additional critically needed monies for the city, and the water company, and ultimately the taxpayers.

Last year I also took the courageous act of modifying the city's health insurance. Even with those changes, our insurance is still better than most in the private sector. Most of the companies represented in this room do not offer the level of insurance benefits that the City of Georgetown is providing to their employees.

In addition to these savings, we placed the city's cell phones under one provider; our firemen begin using pagers instead of phones; we initiated a program for central purchasing for all office products and cleaning supplies; and we are working to control credit card uses by watching small as well as large purchases. It has already, ensured a savings to the City of more than \$25,000.

We are making greater use of our employee's skills such as using the Cardome maintenance staff to provide maintenance services for city hall as well. There has been little work in the past on our old, historic buildings, but Will Ballard from Cardome has stepped up to establish a maintenance schedule for our properties.

We have combined services that were duplicated by some of our departments. Public works was the first area to initiate these changes. A new public works director, Terry Thomas, came on board in August of 2007. As a result, he has reorganized several of our departments making more efficient use of our man power by combining public works, recycling, beautification and the cemetery staff into one work force, allowing us to put our man power where it is most needed when it is most needed.

We have further combined the Department of Public works and the office of the city engineer, allowing them to share employees and responsibilities. When Eric Larson joined the city in July as our city engineer, he had a long list waiting for him. There were several projects that had been set aside and left undone, and as you might expect the more that Eric worked the more he discovered needed to be done.

Last year we placed Code Enforcement in the Building Inspection Office. This has resulted in increased enforcement with our inspectors making over 1500 inspections in a 3 month period. They are working in a concerted effort to eliminate abandoned structures that only add to an already existent drug problem, not to mention declining property values. This is not an easy process, and it takes time, patience and money to change what has been allowed to occur over time.

I have worked with the police chief to not only keep our special response team, but to put in place a drug task force as well. Drug enforcement to me, is one of the most important issues facing our community. We need to send the message that we do not want and will not tolerate drugs in our community. Drugs not only affect the amount of crime, but they also affect the economic status of our community. Recently at a local industrial meeting a comment was made that in looking for a work force, businesses are looking for people that are not only dependable but who can pass a drug test. What a shame that drugs have such an impact on our community. We need to do more to address this problem in our City.

This past year, in order to stretch our city tax dollars we have made a greater effort to seek grant money. Since I have taken office the City of Georgetown has received over one and a half million dollars in grant money from the state. We received money for roads in the business park, money for Georgetown's share of cost of the traffic study for connector road, money for additional road work on city streets, and money for our Police Department. But I can not take credit for all of these grants; I must also thank Senator Thayer and Rep. Hoffman for their help in securing those monies.

If we had not taken these actions last year our present state would not hold the strong promise that it does for our future.

One of the greatest challenges that I have faced and am constantly working on is Communication. After having served 6 years on the city council, I believed that I had a strong working relationship with the council. However, after being in office for a year, I must admit it has been a challenge, but one I take very seriously.

I am a very open, honest, direct person; qualities which I have found some people simply do not value. I hold very strong core values, there are simply areas in which I cannot and will not compromise, but I am open and willing to compromise when the circumstances dictate it. We must all recognize that it takes more than one side to communicate and compromise.

I will continue to strive to build rather than tear down, I will continue to improve rather than just accept that this is the way it has always been done, and compromise wherever it is possible.

But never lose sight of the fact that change is difficult, and it comes with a price. If you do not change you become stagnated. Are we willing to take an honest look at where we are today, seek to improve it and move the City forward? That is a question to which I respond YES, and we must.

The largest challenge we face in the coming year is finances. The 2008-2009 budget reflects a loss of nearly two million dollars in projected revenues. The 2007-08 budget had revenues of \$23 million while the current projections for 2008-09 appear to be \$21 Million. At this point in time the budget requests from the city and the jointly funded agencies are over 24 million dollars. It does not take a math genius to understand there is a problem. We are entering a time where our business net profits are falling and the projected revenues for the payroll tax are flat. Expenses are going up, and the cost of doing business is more for all of us. Gas prices are expected to hit an all time high this summer, insurance costs are rising, and the everyday upkeep for property is rising rapidly; as well as employee benefits, hazardous duty and retirement which are at such a level that they are nearly breaking the bank.

Yet, every year there is a greater demand by the citizens on the local government to deliver more and better services, not to mention the demands of our employees for more and greater benefits.

In 2008 the City's debt service will be approximately \$1 million per year. I wish I could say that for the next 4 years I could go without adding more debt to the city, but we have commitments such as a new police station that simply cannot go unanswered. Our police are presently in two buildings that we are renting where the space is tight and it is not the ideal situation. We must move forward this year with building a new facility. Based on a feasibility study tearing down the old station and replacing it with a new one will be the most cost efficient for the city. Even here we are trying to make the most of our resources by moving the police station back to its original site on Bourbon Street. An early estimated cost for the new building is approximately 8 million dollars. The city simply does not have those types of resources at this time. What we will be considering is designing the building in two phases, beginning phase two only after we have paid for phase one. In the past, it was our method to borrow money so that we could live beyond our means. This is no longer acceptable. You cannot, and I will not, mortgage our future.

I have become concerned that we not allow the poor decisions of the past to dictate poor decisions for the future. You need look no further than the Bradshaw Farm, Cardome, the property for the pool, and to a lesser degree the Business Park.

While each may have been obtained for a good purpose, but in each case the City spent tax dollars to acquire the property and we failed to carry out a plan for developing that property and preserving the vision. We have all heard the scripture from Proverbs that states: “Where there is no vision the people perish.”

As a result we are now faced with a serious question as to the future of the Bradshaw farm which was purchased for the stated objective of preserving it for future generations.

While the purpose was well placed, we have failed to carry out any plan to attain it, simply placing a burden upon our limited resources to continue to maintain the farm in status quo.

The council agreed with me, that we needed to sell the house, but I believe that the remainder should be preserved and developed as a park. We currently are using a portion of the Bradshaw Farm for a retention basin and holding a portion for the cemetery expansion.

The remainder can be developed as a park over the next 5-10 years with small expenditures rather than a single large expenditure from the city coffers. In order to assure this vision, it may be time for the council to consider annexing the remainder of this property into the city.

We have failed those who had the vision to purchase Cardome for a community center, again simply because we have not given any consideration as how to pay for its development. At present, Cardome is being subsidized by the City for operating expenses of nearly \$600,000 per year. This cannot continue. I believe that our best option at this time is to pursue the offer by the Cardome Academy Association, Inc. and allow Cardome to be developed as a museum of the written word. By allowing the Cardome Academy to eventually take over the expenses of Cardome, we can recover valuable funds that the city can then reinvest.

The business park has the potential to provide revenue in the future. However, at the present, because of the sluggish economy as well as other factors, the park is not advancing as rapidly as I would hope.

In fact, at the present time the business park requires subsidizing from the City, taking a bite out of our city’s limited revenues as it continues to add to the debt while we build the infrastructure. However, one bright spot I am excited about is the future location of the Bluegrass Community Technical College in the business park.

Special thanks needs to be given to Judge Lusby and the Scott Fiscal Court for helping to purchase part of the property for Bluegrass community Technical College and a Very Special Thanks to Senator Thayer for securing the road money to provide access to the site location. If it had not been for the help of Senator

Thayer, the city would not have the finances to build the road. I hope that the Bluegrass Community Technical College will serve as a catalyst to the business park to new partnerships and eventually allow it to become self sustaining.

Let me assure you, that before I advocate and promote any revenue increases we will demonstrate that we are working diligently to streamline, save, and wisely use all revenues which the taxpayers have entrusted to us.

There has been a lot of trash talking in city hall lately. Some of the council has recently been looking at a rate increase of 50% for only residential garbage rates. I am not supportive of the current fee increase as proposed by some of the council. I know how desperately the city needs additional revenues, so sometime within the next few weeks I will bring to the council a comprehensive plan to address; Our sanitation ordinances, our manpower, and fees for business, and residential as well as introduce commercial franchise fees for both commercial sanitation haulers and recycling in Georgetown.

Now, one of our greatest trash success stories is the herbie curbie program. With the full support of the council we changed the way Georgetown collected its trash and at the same time lowered the city's workers' compensation claims. At the end of the month this program should be completed. The herbies are aesthetically pleasing, neater for subdivisions, and most importantly safer for the city's employees.

The number one request I have gotten since being in office has been to start a recycling program. Keep in mind a recycling program is not cost efficient. I have begun work on a plan which must include revenues. I would hope to have a working plan introduced by the fall of 2009. We are presently working out all the problems connected to the Herbie Curbie program, and once this is done we will be ready to take the appropriate actions as needed to implement a recycling program.

You will see over the next several months, changes to our policies and procedures. The City's policies and procedures have not been looked at for several years. These changes will allow us to have more flexibility in addressing needs of our employees, provide greater flexibility in streamlining government, and bring our personnel policies in line with state and federal law.

In addition, let me assure you that we are establishing new policies concerning vehicle usage, phone usage, computer usage and travel expenditures, as well as others. Further, we have recently out sourced our payroll, which will soon result in a significant savings to the city.

At some point in time the city will need to hire an internal auditor. The internal auditor will also help us find additional cost saving measures for the city. The position should pay for itself quickly.

In the future, I will be recommending to council that we establish the position of a Public Safety director. This position will provide a unified voice in operations and increase communications with other government agencies thus allowing further streamlining of duties and consistency in tasks that are performed.

We are also taking the proactive step to review the use of equipment and personnel when responding to emergency 911 calls. We want to make sure that the cost is justified yet provide the best protection to our citizens.

As to the interlocal agreements, now let me state that I strongly support a working relationship and greater communication with the county, in the form of written interlocal agreements or just by written agreement. However, when I came into office I began questioning the agreements, their intent and purpose. What I found was that in many cases there was really no true understanding as to what was intended since it was not written down and clearly stated. It appeared that to question a verbal agreement or a handshake agreement was not acceptable. Therefore, let me state that I applaud Scott County United, which took on the task of looking into the interlocal agreements. They discovered just how complex and unclear the interlocal agreements are. The very idea of taking a fresh look at these agreements is a positive step in the right direction while we are still working on the procedures with Scott County United. I will lend my support to this task and am most pleased that we will actually be working on a feasibility study for each agreement. This will bring a clearer picture for the city and the county as to funding and helping map out future directions. While I realize that some of you are concerned that taking a look at the interlocals is equivalent to breaking the city/county relationship, let me assure you that it will began a dialogue for us to start thinking about our future and more strongly cement the city and county's commitment to each other.

We may not be ready yet, but with in the next 10 years I believe that given our current growth we need to be prepared to step out on the issue of merged government. A merged government will give us a greater voice in our region and a stronger hand in determining our future. It will allow a greater use of both city and county resources, and would be a win-win for both city and county residents. It is time to begin thinking and planting the seed for merged government.

In keeping with my desire to grow our revenues, I recognize that much has been said recently about a restaurant tax as the solution to all our money problems. At this point in time I simply cannot support a restaurant tax, especially while we are trying to encourage more restaurants to locate in Georgetown. While a restaurant tax may be appropriate at some future date, now is simply not the time.

This brings me to the issue of a convention center in Georgetown? There has been a lot of talk about a convention center recently, and we are getting to the point that our growth could support such a venture. We have grown out of all our facilities in Georgetown for proms, graduations, chamber banquets, and so forth.

There is clearly a market for events that cannot go to a facility as large as Rupp Arena. When the time comes for us to consider a convention center, we will have more commercial development with more out of town people coming to Georgetown to shop and eat. That is the time to consider a revenue increase. I would support an increase in the motel tax to 4% and then I would consider a restaurant tax of 2%. Those monies are to be dedicated to pay for the city's debt of the convention center. When the city debt is paid off, the tax should automatically be repealed. This tax proposal would take in over a million dollars a year, more than enough to pay for a convention center.

I was asked the other day if these budget problems were keeping me from my campaign promises. The answer is NO! I ran on two things; I promised to be held accountable for the use of the taxpayer's money and I promised to clean up the mess that existed in city hall. It would be much easier to have turned my back on the problems I had encountered when I took office, but I am not that type of person. I meet challenges head on.

In the process of trying to clean up city hall, some dust has landed on me. I am not afraid of a little dust when the stakes are so high and so important. I have tackled and will continue to tackle those hard problems.

Now let the games begin.... 2010 the world is going to be looking at central Kentucky, and Georgetown will have a seat at the table. Please keep in mind that we must get ready, but it is not going to be the event that changes our lifestyle forever. I have put together a group of people to start the planning process for our community. We met last month for the first time and will be meeting every other month this year. From this group subcommittees will be formed looking to help us get ready, and Georgetown will be ready for the games. Our goal and mission is to capture that first time visitor so the next time they come to central Kentucky they will remember our beautiful town that sits next to the horse park. They will want to come back here to stay and spend their money.

City Hall is a busy place. Even in this year of slow economic growth the business of this city is going forward. Let me take a moment here to thank all of those citizens who have attended the Open Door after 4, and all of those citizens who call city hall and direct our attention to problems and concerns in the community. They are the real watch dogs of the city who help me do my job better.

But I still need your support, I need the council's support and I need the support of our county government as well.

We can come up with quick fixes that just become the old tax and spend philosophy of government, but government must take responsibility for its actions. We can work together to make real, life changing plans for the problems that Georgetown faces.

I strongly believe in our future. In 1965 Lyndon Johnson said: "If we fail now, we shall have forgotten in abundance what we learned in hardship: That

democracy rests on faith, that freedom asks more than it gives and the judgment of God is hardest on those who are the most favored....“ We are that city that is most favored. We are the city on the hill that the light can not be put out. It is our time to learn from our hardships, we must not and shall not fail in our mission to keep our light burning. Other communities look to us and they envy the position we are in. We have great strength. Our glory days are not behind us. We are preparing for greatness, and there is no limit to our growth and possibilities. It is the sense of community which combines our businesses, schools, and churches. It is our desire for our children and their children to succeed and prosper in our city.

We are struggling and presently our revenues are small, but our dream and vision can never be small, whether it is the dreams for our city or the dreams that we dream for our businesses and families. Let there be no limit to what we can do. We must dream big, then work together to create the plan to achieve those dreams.

We, the people, of this town have the creative energy, and the courage to set our city apart. We must be determined to conquer our problems and engage our opportunities. There is still much to do and we will not rest until it is done. God will give us the strength and the direction to find our way and make our mark in this region, this state and even in this world. Our Task may seem impossible to man, but with Gods help all things are possible.

May God be with us. God bless our City and Keep our light burning brightly.